



JAMES E. RISCH – Governor
RICHARD M. ARMSTRONG - Director

IDAHO DEPARTMENT OF HEALTH & WELFARE

LESLIE M. CLEMENT - Administrator
DIVISION OF MEDICAID
Post Office Box 83720
Boise, Idaho 83720-0036
PHONE: (208) 334-5747
FAX: (208) 364-1811

June 12, 2006

Subject: Modernizing Medicaid Communication Packet

Idaho Medicaid is moving rapidly toward the first phase of reform implementation and would like to provide you with an update on our progress. Please find enclosed the following documents:

- A summary of the status of federal approval
- A reform implementation timeline
- Summary descriptions of the Medicaid Basic Plan and the Medicaid Enhanced Plan
- A description of the enrollment process
- A schedule for reform-related rule promulgation
- A list of reform-related communications with clients and providers

For additional information about the new Medicaid Basic Plan and Medicaid Enhanced Plan benefits that will be offered to Medicaid participants beginning in July, please visit www.modernizemedicaid.idaho.gov. This site also provides additional information about the Medicare-Medicaid Coordinated Plan, which is slated for implementation in the fall.

Please do not hesitate to contact Idaho Medicaid if you have questions about any of the enclosed materials. Please also share this information with colleagues as you see fit. Thank you for your support of Idaho Medicaid reform.

Sincerely,

LESLIE M. CLEMENT
Administrator

OVERVIEW OF MEDICAID MODERNIZATION COMMUNICATION TO PARTICIPANTS AND PROVIDERS

MAY 2006			
Activity	Target Audience	Summary	Status
<i>MedicAide</i> newsletter article	Medicaid Providers	Information about new benchmark plans	Published May 1
Group Presentations	Systems of Care Conference attendees Idaho Commission on Aging staff Idaho Healthcare conference attendees (statewide)	Overview of Medicaid Modernization	Completed in May
JUNE 2006			
Activity	Target Audience	Summary	Status
<i>MedicAide</i> newsletter article	Medicaid Providers	Changes to Medical Assistance Identification cards	Published June 1
Group Presentation	Idaho Medical Association	Overview of Medicaid Modernization and preview of July changes from a provider perspective	Completed June 6
Direct Mailing	Current enrollees in Family Medicaid and CHIP programs	Explanation of new benchmark plans and description of services	Mailed June 6
Direct Mailing	Current CHIP-B participants who will be transitioned to Medicaid Basic Plan Benefits effective July 1	Notification of change in benefit plans, highlighting differences between current CHIP-B plan and new Medicaid Basic Plan Benefits	June 14 target date

JUNE 2006 (continued)

Activity	Target Audience	Summary	Status
Direct Mailing	Current CHIP-B participants who will be transitioned to Medicaid Enhanced Plan Benefits effective July 1, 2006.	Notification of change in benefit plans, highlighting differences between current CHIP-B plan and new Medicaid Enhanced Plan Benefits.	June 14 target date
Frequently asked questions	Medicaid Participants	Questions and answers related to Medicaid Modernization changes from a consumer perspective	Ready for publication to website

JULY 2006

Activity	Target Audience	Summary	Status
Information Release MA06-15	Medicaid Providers	Exclusions and Limitations of Medicaid Basic Plan Benefits	Ready for July 1 publication and mailing to impacted providers
Information Release MA06-17	Medicaid Providers	EPSDT Rate Increases and Expanded Coverage for Adult Preventive Medicine Services Effective July 1, 2006	Ready for July 1 publication
Information Release MA06-18	Medicaid Providers	Eligibility and Benefit Plan Coverage Under Medicaid Modernization	Ready for July 1 publication
Group Presentation	Covering Kids and Families Coalition	Status update for Medicaid Modernization activities	Scheduled for July 12
Direct Mailing	Medicaid Participants	Summary of well baby and child benefits. Announcement of new adult wellness benefits	Scheduled for July mailing

August 2006

Activity	Target Audience	Summary	Status
<i>MedicAide</i> newsletter article	Medicaid Providers	Address provider questions related to July changes	Scheduled for August 1 publication
Direct Mailing	Medicaid Participants subject to premium payments	Notification that premium payments will be begin October, 2006.	Scheduled for August mailing

September 2006

Activity	Target Audience	Summary	Status
Direct Mailing	Medicaid Participants	Information about personal health accounts	Scheduled for September mailing

October 2006

Activity	Target Audience	Summary	Status
Direct Mailing	Medicaid Participants	Explanation of changes related to outsourcing dental benefits	Scheduled for October mailing

BENCHMARK BENEFIT PLANS UNDER MEDICAID MODERNIZATION

In July 2006, Idaho Medicaid is implementing new benchmark benefit plans to support the Medicaid Modernization initiative.

New benefit plans include:

1. **The Medicaid Basic Plan** – for low-income children and adults with eligible dependent children. This plan provides complete health, prevention and wellness services for children and adults who don't have disabilities or other special health needs.
2. **The Medicaid Enhanced Plan** – includes all services of Medicaid Basic Plan Benefits, plus additional services to meet the needs of participants with disabilities or special health concerns. The services in this plan include the full range of services covered by the Idaho Medicaid program.

A third plan, the **Medicare-Medicaid Coordinated Plan**, is under development. This plan is for individuals who are also covered under Medicare.

Beginning July 2006, new Medicaid participants will be enrolled in either the Medicaid Basic Plan or the Medicaid Enhanced Plan. Existing Medicaid and CHIP-A participants will be transitioned to one of the new plans as part of annual eligibility renewal. Children currently covered under the CHIP-B program will be transitioned to one of the new benefit plans effective July 1, 2006. Plan assignment is based on individual health needs.

EXISTING Medicaid programs will continue to remain in place after July, 2006:

1. **Pregnant Women Plan** – limited to pregnancy related services only.
2. **Presumptive Eligibility Plan** – limited to outpatient pregnancy related services only.
3. **Qualified Medicare Beneficiary Plan** - limited to Medicare paid services only.

MEDICAID SERVICES COVERED UNDER THE NEW BENEFIT PLANS

Coverage under the **Medicaid Enhanced Plan** includes the full range of Medicaid services currently covered by the Idaho Medicaid program with existing exclusions and limitations.

Coverage and limitations under the **Medicaid Basic Plan** is summarized in Table 1 below:

Table 1. Types of Services and the Medicaid Basic Plan Limitations/Exclusions		
Type of Service	Covered in Medicaid Basic Plan	Medicaid Basic Plan Limitations/Exclusions (in addition to established Medicaid exclusions and limitations)
Inpatient Hospital Services	X	10 day limit for inpatient mental health services, based on a rolling year.
Outpatient Hospital Services (including Emergency Services)	X	
Ambulatory Surgical Center Services	X	
Physician Services	X	
Other Practitioner Services, including Podiatrist, Optometrist, Chiropractor, Physician Assistant	X	
Nurse Midwife Services	X	
Certified Pediatric Nurse Practitioner or Certified Family Nurse Practitioner Services	X	
Primary Care Case Management (Healthy Connections)	X	

Table 1. Types of Services and the Medicaid Basic Plan Limitations/Exclusions		
Type of Service	Covered in Medicaid Basic Plan	Medicaid Basic Plan Limitations/Exclusions (in addition to established Medicaid exclusions and limitations)
Prevention Services (includes well-baby, well-child and well-adult preventative medicine exams)	X	Adult (over age 21) preventive medicine exams are limited to one per rolling year. The year starts on the date of the initial examination. The year ends 360 days later. Prior Authorization is required for additional assessments within the same year. ¹
Nutrition Services, including diabetic education and training	X	
Laboratory and Radiological (X-Ray) Services	X	
Prescribed Drugs	X	
Family Planning Services	X	
Inpatient Psychiatric Hospital Services for individuals under age 21	X	10 day limit for inpatient mental health services, based on a rolling year.
Partial Care treatment		Covered only in the Enhanced Plan
Psychosocial Rehabilitation	X	Limited to services provided by School Districts
Outpatient Mental Health	X	Mental Health Clinic providers are limited to 26 combined outpatient mental health services per participant per calendar year. The existing psychiatric service limitations also apply. Certain providers are limited to diagnostic and evaluation services. ²
Home Health Care	X	
Physical Therapy	X	
Respiratory Care Services	X	

Table 1. Types of Services and the Medicaid Basic Plan Limitations/Exclusions		
Type of Service	Covered in Medicaid Basic Plan	Medicaid Basic Plan Limitations/Exclusions (in addition to established Medicaid exclusions and limitations)
Medical Equipment and Supplies	X	
Prosthetic Devices	X	
Vision Services/Eyeglasses	X	
Speech, Hearing and Language Services	X	
Medical and Surgical Services furnished by a dentist	X	
Dental Services (includes dentures)	X	
Rural Health Clinic Services	X	
Federally Qualified Health Center Services	X	
Indian Health Services Facility	X	
Independent School District Services	X	
Medical Transportation	X	
EPSDT/Special Services for Children	X	The Medicaid Basic Plan does not cover Intensive Behavioral Intervention and Private Duty Nursing, unless provided by School Districts. A child who requires services not available under the Basic Plan may receive those services under the Enhanced Plan.
Pregnancy-Related Services	X	
Intermediate care facility services		Covered only in the Enhanced Plan
Nursing Facility Services		Covered only in the Enhanced Plan

Table 1. Types of Services and the Medicaid Basic Plan Limitations/Exclusions		
Type of Service	Covered in Medicaid Basic Plan	Medicaid Basic Plan Limitations/Exclusions (in addition to established Medicaid exclusions and limitations)
Personal Care Services	X	Limited to services provided by School Districts
Home and Community-Based Waiver Services		Covered only in the Enhanced Plan
Hospice Care		Covered only in the Enhanced Plan
Developmental Therapy Services	X	Developmental Disability and Rehab Mental Health providers are limited to diagnostic and evaluation services. ²
Case Management Services		Covered only in the Enhanced Plan

¹ Information Release MA06-17, published in the July issue of *MedicAide*, provides additional information about preventative medicine services.

² Information Release 2006-15, published in the July issue of *MedicAide*, provides additional information about mental health exclusions and limitations.

PROJECT TIMELINE

Medicaid reform initiatives will be phased in over several years, with initial implementation beginning in July 2006. The following table lists the currently defined elements of Medicaid Modernization. Initiatives with undefined implementation dates are identified for phase 3 below, but could be rolled into multiple phases after definition.

Phase	Initiative	Planned Effective Date
1	Appropriate Benefits to Meet Needs of Individuals	7/3/06
1	Simplify Eligibility Rules	7/3/06
1	Enhance Healthy Connections Enrollment	7/3/06
1	Chronic Disease Management (pilot)	7/3/2006 <i>(Data Review Phase)</i>
1	Health Risk Assessment	7/3/06
1	Managed care contracting for durable medical equipment and supplies, such as incontinence supplies	7/1/06 <i>(additional phases to be rolled out)</i>
1.1	Healthy Schools	9/1/2006
1	Multi-State Drug Purchasing Pool	10/2/06
2	Updated System Reports to Support Performance Measurement	10/2/2006
2	Premium cost sharing for 133%-150%	10/2/2006
2	Long term care counseling (federal grant)	10/2/2006
2	Self Determination	10/2/2006
2	Personal Health Account	10/2/2006
2.1	Outsource Dental Benefits (AIM to contractor)	12/1/2006
3	Integrate Medicare Advantage plans with Medicaid for dual eligibles	TBD <i>(system readiness issue)</i>
3	Caregiver Support	TBD <i>(pending federal guidance)</i>
3	Managed care contracting for non-emergency transportation	TBD
3	Portable Long Term Care Assessment	TBD
3	Electronic Medical Records	TBD
3	Co-Payments	TBD
3	Electronic prescribing (PDA's)	TBD

ENROLLMENT PROCESS

- Applications can be obtained on-line (www.healthandwelfare.idaho.gov), by calling 2-1-1, or by calling Family Medicaid (1-866-326-2485). They may also be picked up from any Health & Welfare Office in the State.
- Applications will be processed by a new Family Medicaid unit located in both Idaho Falls and Payette. Family Medicaid will include both Healthy Connections and Self Reliance staff for better service integration.
- Applicants will be asked to complete a health questionnaire that includes identification of a primary care provider (PCP). Applicants who do not provide the name of a PCP will be mailed a list of providers in their area and asked to make a selection. If a selection of a PCP is not received, the Department will assign a PCP to the individual(s).
- The approval process will consist of a review of the individual's health status and financial situation. Based on the results of this review, individuals will be enrolled in either the Medicaid Basic Plan or the Medicaid Enhanced Plan.
- Eligible individuals will receive an approval notice advising them of their plan enrollment and of the benefits included in that plan.
- Individuals can be switched from the Medicaid Basic Plan to the Medicaid Enhanced Plan if an assessment or medical review shows that their health needs have changed.

Medicaid Reform Rules Framework

Current Chapter Number	Current Chapter Title	Reform Chapter Title	Rules changes targets	Publish as Temp/ Proposed	Publish Pending
3.09	Medical Assistance	Medicaid Basic Plan Benefits	Includes Medical Assistance general requirements, reflects the basic benefits for all Medicaid recipients and the only benefits available to individuals in the low-income children and working-age adults group. August publication will include content changes: reflecting MH benefit changes, addition of adult physicals, health risk assessment process, assessments that act as triggers to move from basic to enhanced plan, SBS IGT process, changes reflecting federal Medicaid law changes (DRA), and fulfill commitments made in legislative audit responses.	August	January
3.10	Medicaid Provider Reimbursement	Medicaid Enhanced Plan Benefits	References general requirements in chapter nine, includes the enhanced benefits for the disabled and the elderly, references new reform components in chapter nine, and initially maintains current reimbursement rules.	August	January
3.13	Prior Authorization for Behavioral Health Services	Consumer-directed Services	PA processes are moved out of the current chapter & combined in chapter 10. The self-directed service option rules move into this chapter	August	January
3.16	Access to Health Insurance Program	Premium Assistance	Becomes the Premium Assistance Chapter for all premium assistance programs, including for children.	August	January
3.17	Service Coordination	Medicare/Medicaid Coordinated Benefit Services	Moves service coordination benefits description into chapter 10. Becomes the chapter to describe the coordination of benefits with Medicare Advantage plans.	August to move rules out; will lag new rules	January
3.18	CHIP B and Children's Access Card Rules	Medicaid Cost-sharing	Moves benefit descriptions into chapter 9, premium assistance descriptions into chapter 16, and becomes a chapter that exclusively addresses cost-sharing (premiums (\$10 for individuals in families with >133% FPL and \$15 for individuals in families with income 150% - 185% of FPL, (co-payments- hold til later publish date), client contributions and applicable buy-in requirements)	August to move rules out; won't fill in cost-sharing until later date	January

Comment period and public hearings locations and times will be published in the Administrative Bulletin

ISSUE BRIEF: FEDERAL APPROVAL OF IDAHO MEDICAID REFORM

Background

- In mid-2005, Idaho Medicaid began to design a modernization plan to increase program quality and achieve fiscal sustainability.
- The plan was to create Medicaid eligibility categories and benefit plans based on identified health needs. The plan also included program administration reforms.
- Idaho Medicaid proposed to use federal Section 1115 waiver authority for reform.

Reform Timeline

- A concept paper was presented to the Centers for Medicare & Medicaid Services (CMS) in July 2005.
- In February 2006, the Idaho Medicaid Simplification Act was introduced in the Idaho Legislature along with a package of companion bills.
- The Governor signed the Simplification Act into law on March 31, 2006.
- Idaho Medicaid submitted a Section 1115 waiver request on April 24, 2006.

The Deficit Reduction Act of 2005

- Concurrent to Medicaid reform planning efforts in Idaho, Congress created and passed the Deficit Reduction Act of 2005 (DRA). The DRA was signed by the President on February 8, 2005.
- On March 31, 2006, the Secretary of the U.S. Department of Health and Human Services issued guidance to states on DRA impacts to Medicaid.
- CMS recommended in late April 2006 that Idaho use DRA provisions to authorize program reforms instead of a Section 1115 waiver.

Benchmark Plans

- Section 6044 of the DRA allows the use of "benchmark" benefit plans that may consist of different benefits than "standard" Medicaid.
 - This provision allowed Idaho Medicaid to create tailored benefit plans:
 - 1) for low-income children and working-age adults,
 - 2) for individuals with disabilities or special health needs, and
 - 3) for elders or those otherwise dually eligible for Medicaid and Medicare.
 - These benchmark benefit plans will align Medicaid services with the health needs of participants.
 - These benchmark benefit plans also serve as three separate eligibility plans for different Medicaid groups.
- Idaho secured federal authority for these benchmark benefit plans in May 2006 through the DRA and amendments to Idaho's State Plan for Medical Assistance.
- Idaho also secured approval of several additional State Plan amendments that authorize changes to Medicaid management, such as consolidated purchasing.

Outstanding Issues

- Certain other DRA provisions affecting Medicaid reforms are complex and require additional interpretation, including provisions on use of co-pays.
- In addition, DRA impacts on Idaho's premium assistance, health information technology, and caregiver support initiatives require additional interpretation before planned reforms can take place.